

Non-consolidated Financial Statements
for the First Three Months of the Fiscal Year Ending March 31, 2016

Company name: Zuken Elmic, Inc.	Listing: TSE Second(2nd) Section
Stock code: 4770	URL: http://www.elwsc.co.jp/
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(1) Balance Sheets

(Thousands of yen)

	FY2014 selected data (As of Mar. 31, 2015)	1Q of FY2015 (As of Jun. 30, 2015)
Assets		
Current assets		
Cash and deposits	277,466	320,799
Notes and accounts receivable - trade	366,677	196,411
Short-term investment securities	63,176	63,180
Merchandise and finished goods	31,753	31,656
Work in process	1,947	27,412
Raw materials	619	576
Prepaid expenses	53,833	56,382
Other current assets	7,193	7,322
Allowance for doubtful accounts	(100)	(100)
Total current assets	802,568	703,641
Noncurrent assets		
Property, plant and equipment	16,124	16,735
Intangible assets	25,034	24,802
Investments and other assets		
Investment securities	4,631	4,631
Other investments and other assets	17,442	16,755
Allowance for doubtful accounts	(1,850)	(1,850)
Total investments and other assets	20,223	19,536
Total noncurrent assets	61,382	61,074
Total assets	863,951	764,715

(Thousands of yen)

	FY2014 selected data (As of Mar. 31, 2015)	1Q of FY2015 (As of Jun. 30, 2015)
Liabilities		
Current liabilities		
Accounts payable - trade	71,390	24,543
Income taxes payable	12,499	2,872
Unearned revenue	65,653	66,360
Provision for bonuses	45,621	22,992
Provision for product warranties	12,738	13,246
Other current liabilities	44,791	41,891
Total current liabilities	252,694	171,906
Noncurrent liabilities		
Long-term unearned revenue	1,065	2,088
Provision for retirement benefits	2,998	2,998
Other long-term liabilities	10,699	10,279
Total noncurrent liabilities	14,762	15,366
Total liabilities	267,457	187,273
Net assets		
Shareholders' equity		
Capital stock	1,202,036	1,202,036
Capital surplus	81,886	81,886
Retained earnings	(687,378)	(706,430)
Treasury shares	(49)	(49)
Total shareholders' equity	596,493	577,442
Total net assets	596,493	577,442
Total liabilities and net assets	863,951	764,715

(2) Statements of Income

(Thousands of yen)

	1Q of FY2014 (Apr. 1, 2014 – Jun. 30, 2014)	1Q of FY2015 (Apr. 1, 2015 – Jun. 30, 2015)
Net sales	206,341	185,591
Cost of sales	103,408	76,562
Gross profit	102,932	109,029
SG&A expenses	144,031	127,101
Operating loss	(41,098)	(18,072)
Non-operating income		
Interest income	12	6
Commission fee	46	27
Reversal of allowance for doubtful accounts	140	—
Other	2	0
Total non-operating income	201	33
Non-operating expenses		
Interest expenses	18	22
Foreign exchange losses	361	25
Total non-operating expenses	379	47
Ordinary loss	(41,277)	(18,086)
Extraordinary income		
Directors' retirement benefits long-term accounts payable gain on forgiveness of debts	1,029	—
Total extraordinary income	1,029	—
Extraordinary loss		
Loss on retirement of noncurrent assets	0	—
Total extraordinary losses	0	—
Net loss before income taxes	(40,247)	(18,086)
Income taxes –current	984	984
Income taxes-deferred	(201)	(19)
Total income taxes	783	965
Net loss	(41,030)	(19,051)